North Dakota State Board of Higher Education  
Minutes – August 7, 2013

Members present:

Dr. Kirsten Diederich, President
Mr. Duaine Espegard
Ms. Kari Reichert

Staff members present:

Dr. Larry C. Skogen, Acting Chancellor
Ms. Cathy McDonald, Director of Finance
Ms. Kirsten Franzen, Chief Compliance Officer
Ms. Linda Donlin, Director of Communications/Media Relations
Mr. Noah Brisbin, Assistant General Counsel
Ms. Kristie Hetzler, SBHE Assistant

The State Board of Higher Education met Wednesday, August 7, 2013, at 1:30 p.m. CT, in the President’s Room, Student Union, Valley City State University, Valley City, North Dakota.

Approval of Board agenda
It was moved by Reichert, seconded by Espegard, to approve the Board agenda. The motion carried.

At the July 31, 2013 State Board of Higher Education meeting, a committee was delegated the authority to discuss and approve North Dakota institution Presidents’ salaries, North Dakota University System senior staff salary ranges, and North Dakota University System audit staff salaries and salary ranges. The committee consists of two board members, Duaine Espegard and Kari Reichert, and the acting Chancellor, Larry C. Skogen.

North Dakota Institution Presidents’ Salaries
Dr. Skogen presented four options for Ms. Reichert and Mr. Espegard to consider; option 1 is a four percent increase to all of the university presidents. Option 2 would take into account evaluations and market information, taking the low ones and get them up to market. Option 3 would use the matrix based on quintiles that uses either the midpoint or averages. Option 4 would leave it up to the SBHE to decide. Dr. Skogen also suggested that a compensation study be completed, because it has been several years since the last one was done.

Mr. Espegard recommended that increases should be based off of the ranges that the SBHE approved for the Presidents for 2012/2013 and to also take into consideration how the presidents did in their evaluations. He advised that it has been done like this the last couple years, and that he believes that past practice has worked well. He also noted that comparing the salaries with the College University Professional Association (CUPA) and State Higher Education Executive Officers (SHEEO) data is very comparable and that the salary ranges align with that data.
Ms. Reichert questioned using midpoints and averages, whether broad or a granular classification are used, and asked for clarification on how the presidents salary ranges were created, and if the data is based on national data. She suggested that other factors such as demographics, how many students attend each campus, and whether an institution is two-year or four-year institution be considered. Ms. Reichert stressed how important their evaluations should be in this procedure.

Ms. McDonald explained how the market data (CUPA-HR by Carnegie classification) was used to identify how each NDUS president’s salary compares to the midpoint and averages of their peers. This data was used by the State Board of Higher Education to determine the 2012-2013 approved ranges.

**It was moved** by Reichert, seconded by Espegard to set each President’s 2013-2014 salary by placing each one in a quintile range, determined by calculating the percent of their current 2012-13 salary to the 2012-13 SBHE approved midpoint. Presidents that fall in the 3rd quintile will receive a 3% increase, those in the 2nd quintile will receive 4% and those in the 1st quintile will receive a 5% increase. Espegard and Reichert voted yes; motion carried.

**North Dakota University System senior staff salary ranges**

Dr. Skogen briefed Mr. Espegard and Ms. Reichert on current senior staff salaries and his recommendations. He indicated some salaries were set by the previous chancellor.

Mr. Espegard indicated that most of the salaries are right in line with current market salaries in comparison to national salaries for these positions. Mr. Espegard expressed his concern for a pay raise for the interim Vice Chancellor for Academic and Student Affairs. Ms. Reichert suggested in the future that an outside consultant be used in this process. Dr. Skogen agreed and stated that a compensation study would be helpful as well. Ms. Reichert suggested that other variables such as leaves of absence, years of service, and other factors be taken into consideration. Mr. Espegard indicated that aside from the Vice Chancellor of Academic and Student Affairs position there were no special factors to consider and noted that the employees in the positions discussed have received good evaluations.

**It was moved** by Espegard, seconded by Reichert, to set the senior staff and general counsel salary range of 80%-120% of the SHEEO average for each position, while recommending the range to include the current salary of the Vice Chancellor of Information Technology and Institutional Research.

**North Dakota University System audit staff salaries and salary ranges**

Dr. Skogen stated that legislation directed the audit staff from University of North Dakota and North Dakota State University to be absorbed into the North Dakota University System Office staff. At that time, there was an inequality in salaries noticed; Mr. Espegard and Ms. Reichert agree that if their performance evaluations were good and both auditors have been employees for quite some time that their salaries need to be comparable.

**It was moved** by Espegard, seconded by Reichert to approve North Dakota University System Auditors’ salaries. Espegard and Reichert voted yes; motion carried.

The meeting adjourned at 3:45 p.m. CT.